

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION OF THE
FOUNTAIN HILLS TOWN COUNCIL**

January 7, 2010

***CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Schlum called the meeting to order at 6:30 p.m. in the Town Hall Council Chambers.

***INVOCATION** – Dr. Clem Stubstad, Director of Spiritual Formation, North Chapel

***ROLL CALL**

Present for roll call were the following members of the Fountain Hills Town Council: Mayor Schlum, Councilmember Contino, Councilmember Leger, Councilmember Brown* Vice Mayor Hansen, Councilmember Archambault and Councilmember Dickey. Town Manager Rick Davis, Deputy Town Manager Julie Ghetti, Town Attorney Andrew McGuire and Town Clerk Bev Bender were also present.

*Councilmember Brown participated in the entire meeting through the use of teleconferencing equipment.

***MAYOR'S REPORT**

(i) A review of upcoming community events.

Mayor Schlum asked the citizens to support local restaurants, stores, and other businesses. He noted the great food, merchandise, services, and experiences that are available in Town and emphasized that their support will help strengthen the entire community during these difficult economic times.

The Mayor added that on Saturday, January 16th at 1:00 p.m. there will be Community Town Hall and said that everyone is invited to attend the old fashioned Town Hall where they may bring any concerns and/or ideas before the Council. He stated that he and two Councilmembers will be in attendance for this event and encouraged attendance. He noted that refreshments will be served.

Mayor Schlum added that on Sunday, January 17th, at 8:00 a.m. there will be a guided hike of the Fountain Hills McDowell Preserve and requested that citizens pre-register for this event (Monday through Thursday, from 7:00 a.m. to 6:00 p.m. at 16705 E. Avenue of the Fountains).

The Mayor also announced the following Fountain Hills High School Athletics - Home Games:

Friday, January 8th	5:30 p.m. (JV) and 7:00 p.m. (Varsity)	Girls Basketball
Thursday, January 14th	4:00 p.m. (Varsity)	Girls Soccer
Thursday, January 14th	6:00 p.m. (Varsity)	Boys Soccer
Friday, January 15th	5:30 p.m. (JV) and 7:00 p.m. (Varsity)	Boys Basketball
Tuesday, January 19th	5:30 p.m. (JV) and 7:00 p.m. (Varsity)	Girls Basketball

The Mayor encouraged attendance at these events to show support for all of the youths involved.

Mayor Schlum added that an organization that supports the community's schools (Fountain Hills Unified School District P.T.O.) is planning a "Fun Run" this Saturday at 9:00 a.m. at the Amphitheater pad at the Fountain. He encouraged citizens to show up between 7:00 a.m. and 8:00 a.m.

Mayor Schlum announced that Councilmember Dickey and Vice Mayor Hansen will celebrate their birthdays this month and wished them both a very Happy Birthday.

***CALL TO THE PUBLIC**

Town Clerk Bev Bender advised that Judith Johnson wishes to address the Council.

Ms. Johnson addressed the Council and expressed concern regarding the excessive speeding that occurs on Fountain Hills Boulevard and associated environmental/safety issues. She said that with the opening of the wonderful new park on Fountain Hills Boulevard, it is fairly impossible to cross the street to access that park on an average day because of the high speed of the traffic. She noted that the difference between 60 m.p.h. and 30 m.p.h. for one half mile is 15 seconds -- not a lot of time -- and would not delay anyone on their way to work but would enhance the safety of those wishing to cross the street at some point between Shea Boulevard and the first stop sign. She said that there were no designated places to cross the street and so people were limited to either making a "dash through the traffic" or walking up to the stop sign, crossing the street and walking back up to the park. She urged the Council to look into this issue and address it both from a safety and an environmental point of view. She indicated her intent to begin a community petition, starting with the HOA on Fountain Hills Boulevard.

Mayor Schlum thanked Ms. Johnson for her input and suggested that she and the Town Manager get together to discuss this important issue further.

*** CONSENT AGENDA**

AGENDA ITEM #1 – CONSIDERATION OF APPROVING THE TOWN COUNCIL AND TOWN COUNCIL SUBCOMMITTEE MEETING MINUTES FROM DECEMBER 8, 9, 14, 16, 17 AND 22, 2009.

AGENDA ITEM #2 – CONSIDERATION OF A SPECIAL EVENT LIQUOR LICENSE APPLICATION SUBMITTED BY NIOBE A. BORMAN (AMERICAN LEGION AUXILIARY, POST 58) FOR THE PURPOSE OF A FUNDRAISING EVENT (PONY EXPRESS), LOCATED AT 12001 N. LA MONTANA DRIVE, FOUNTAIN HILLS, AZ, SCHEDULED TO BE HELD ON JANUARY 28, 2010, FROM 2:00 P.M. TO 6:00 P.M.

AGENDA ITEM #3 – CONSIDERATION OF RESOLUTION 2010-05, CORRECTING A SCRIVENER'S ERROR IN RESOLUTION NO. 2009-42, WHICH GRANTED AN EASEMENT TO CRICKET COMMUNICATIONS, INC., OVER CERTAIN REAL PROPERTY GENERALLY LOCATED ALONG DESERT VISTA DRIVE, SOUTH OF TIOGA DRIVE.

Councilmember Dickey **MOVED** to approve the Consent Agenda and Councilmember Archambault **SECONDED** the motion. A roll call vote was taken with the following results:

Councilmember Contino	Aye
Vice Mayor Hansen	Aye
Councilmember Leger	Aye
Councilmember Dickey	Aye

Mayor Schlum Aye
Councilmember Brown Aye
Councilmember Archambault Aye

The motion **CARRIED UNANIMOUSLY** (7-0).

REGULAR AGENDA

AGENDA ITEM #4 – CONSIDERATION OF APPOINTING TWO (2) CITIZENS TO SERVE ON THE PUBLIC SAFETY ADVISORY COMMISSION WITH EACH SERVING A TWO-YEAR TERM BEGINNING NOVEMBER 1, 2009 AND ENDING SEPTEMBER 30, 2011.

Mayor Schlum **MOVED** to reappoint Kathy Krogstad and appoint Carol Comito each to serve a two-year term on the Public Safety Advisory Commission beginning November 1, 2009, and ending September 30, 2011, and Councilmember Archambault **SECONDED** the motion.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #5 - CONSIDERATION OF APPOINTING THREE (3) CITIZENS TO THE PARKS AND RECREATION COMMISSION FOR A TWO-YEAR TERM BEGINNING JANUARY 1, 2010, AND ENDING DECEMBER 31, 2011; AND ONE YOUTH COMMISSIONER FOR A ONE-YEAR TERM, BEGINNING JANUARY 1, 2010, AND ENDING DECEMBER 31, 2010.

Mayor Schlum **MOVED** to reappoint Fred Bedell, Natalie Varela and appoint Richard Taylor each to serve a two-year term on the Parks & Recreation Commission beginning January 1, 2010, and ending December 31, 2011, and to appoint Amy Sanders to serve a one-year term as Youth Commissioner on the Commission, beginning January 1, 2010, and ending December 31, 2010, and Councilmember Leger **SECONDED** the motion.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #6 – CONSIDERATION OF APPOINTING TWO (2) CITIZENS TO THE COMMUNITY CENTER ADVISORY COMMISSION WITH EACH SERVING A TWO-YEAR TERM BEGINNING JANUARY 1, 2010 AND ENDING DECEMBER 31, 2010.

Mayor Schlum **MOVED** to reappoint Grace Jakubs and William Muehlhauser each to serve a two-year term on the Community Center Advisory Commission beginning January 1, 2010, and ending December 31, 2010, and Councilmember Dickey **SECONDED** the motion.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #7 – CONSIDERATION OF APPOINTING FIVE (5) CITIZENS TO THE SENIOR CENTER ADVISORY COMMISSION WITH FOUR (4) SERVING A TWO-YEAR TERM BEGINNING JANUARY 1, 2010 THROUGH DECEMBER 31, 2011; AND ONE SERVING A ONE-YEAR TERM BEGINNING JANUARY 1, 2010 THROUGH DECEMBER 31, 2010.

Mayor Schlum **MOVED** to reappoint Barbara Patterson-Whitehead, Ed Cisak, Larry Mallek and appoint Bill Whittaker each to serve a two-year term on the Senior Center Advisory Commission beginning January 1, 2010

and ending December 31, 2011 and to appoint Bruce Florence to a one-year term on the Commission beginning January 1, 2010, and ending December 31, 2010, and Vice Mayor Hansen **SECONDED** the motion.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #8 – CONSIDERATION OF A TEMPORARY USE PERMIT FOR "ART ON THE AVENUE" REPEATING OUTDOOR RETAIL SALES EVENTS FOR 2010. CASE #TU2009-08.

Planning & Zoning Director Richard Turner addressed the Council relative to this agenda item and said that the applicant, Charlotte McCluskey, was in the audience and willing to respond to questions from the Council. He noted that the Zoning Ordinance allowed for multiple like uses under a single Temporary Use Permit (TUP) with Council approval. He said that the events would take place within calendar year 2010 and would occur every Thursday beginning January 12th and concluding April 27th. He stated that they were originally scheduled to take place on Tuesdays but were changed to coincide with a possible future Farmer's Market. He advised that all events would run from 11:00 a.m. to 5:00 p.m. and no road closures would be necessary. He said that several recycling containers would be available at the beginning of each event and would be picked up at the end of the each event. He added that there would be up to six A-Frame signs in the downtown area to direct people to the event.

Mr. Turner briefly outlined staff's report (copy available in the office of the Town Clerk) and referred to a map that showed the location of the art sales. He informed the Council that staff had not received any objections as a result of their posting of the property and noted that there were six stipulations contained in the staff report and listed the six items. He advised that staff recommended approval and urged the Council to approve this request.

Mayor Schlum thanked Mr. Turner for his presentation.

Town Clerk Bev Bender advised that there were no citizens wishing to speak on this item.

Councilmember Leger **MOVED** to approve the issuance of a Temporary Use Permit for "Art on the Avenue" repeating outdoor retail sales events for 2010 (Case #TU2009-08) and Councilmember Archambault **SECONDED** the motion.

Councilmember Dickey thanked staff for being responsive and Parks & Recreation for allowing the use of their recycling bins (as well as delivery/pickup).

Mayor Schlum said that this was a great opportunity for the community and noted that the idea came from the citizens who really wanted to support local artists. He emphasized that the Town was not doing this event and commented that it was not funded from the General Fund.

The Mayor and members of the Council thanked Ms. McCluskey for bringing this idea forward.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #9 – CONSIDERATION OF RESOLUTION 2010-04, ACCEPTING AN AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT IN THE AMOUNT OF \$146,487.73, FOR ENERGY AUDITS, LIGHTING RETROFITS AND PHOTOVOLTAIC INSTALLATIONS ON TOWN-OWNED BUILDINGS.

Environmental Planner Raymond Reese addressed the Council relative to this agenda item and said he was pleased to present a request to accept the pending grant from the American Recovery and Reinvestment Act

(ARRA). He advised that the Town had successfully submitted its Request for Information that was submitted to the Energy Department and the contracts had come back from them. He stated that the contracts defined three key projects that staff would be working on, including: (1) The Energy Audit on all of the Town's buildings (approximately 100,000 square feet of Town-owned buildings). The audits would help the Town obtain information as to where to direct resources and efforts when it came to energy efficiency projects. They would also help the Town focus on future activities that they might want to pursue; (2) Three grid-tied photovoltaic generators located at three separate locations on Town-owned buildings in parks. The amount of the installation would be \$74,000 but they would receive a healthy rebate incentive from SRP, which would bring the cost down to approximately \$41,000. The system is 14.5 kw and is estimated to generate a total annual production of 23,446 kw. The Town is strategically targeting its parks buildings for the photovoltaic (PV) solar installations to help promote PV solar technology. Each of the sites would have roof mounted PV panels and a system monitor display unit would be located in the front of each building. By placing the display monitors in the front of the buildings, they would be able to provide easy access to the monitors for the public and students from local schools. This would provide an educational tool for students and the public to learn more about PV solar generators and how they work. It is anticipated that these installations would help promote and encourage more citizens to use PV systems and other alternative types of renewable energy sources; and (3) A lighting retrofitting project in Town-owned buildings (the Library/Museum, the Community Center and the Maintenance building down at the street yard). Those buildings are high occupancy buildings that are used during daylight hours. The Town has a unique opportunity to implement and showcase an energy efficiency project. By undergoing the lighting retrofits, the Town can demonstrate to its citizens and local businesses that the Town is serious about implementing energy efficiency policies and practices. It will further demonstrate that the Town is committed to reducing its carbon footprint by using more efficient lighting that helps reduce the amount of electricity that is currently being used. The total cost of the project is approximately \$90,000 and a rebate will be received from SRP as well.

Mr. Reese advised that this is a non-matching grant and urged the Council to adopt Resolution 2010-04, accepting the grant funds in the amount of \$146,487.73 for the purposes outlined above.

Mayor Schlum thanked Mr. Reese for his presentation.

Ms. Bender advised that one citizen wished to address the Council regarding this agenda item.

Mr. Hugh Henry, a resident who lives on E. Sycamore, addressed the Council and said that he read the article in the newspaper yesterday on this agenda item and reflected on photovoltaics as an industry. He stated that it appeared that they had even competition coming to this country from both China and Germany (one through Colorado and one locally) and expressed the opinion that there was going to be a significant drop in the product line as far as costs go in the near future when they could afford to come here and produce in this country. He added that what caught his eye in the article was the 17 years for payback and stated the opinion that that was not a reasonable period of time. He recommended that the Town adopt a policy regarding how much money they spend and how long it takes to get it back. He noted that in the business world he worked in divisions of the General Electric Company and they had a policy of a 6% net cost reduction per year and they were able to do it for 40 years (those products are purchased and used in our homes). He stated the opinion that the proposal before them and the 17-year payment term did not meet the proper criteria.

Mayor Schlum thanked Mr. Henry for his comments.

Councilmember Dickey **MOVED** to approve Resolution 2010-04, accepting an American Recovery and Reinvestment Act (ARRA) grant in the amount of \$146,487.73, for Energy Audits, Lighting Retrofits and

Photovoltaic Installations on Town-owned buildings and Councilmember Archambault **SECONDED** the motion.

In response to a question from the Mayor, Mr. Rees explained that the \$41,500 was coming from the ARRA monies and there was no out of Town matching funds required (no out of pocket monies for the Town). He confirmed that the money would be coming from the Stimulus funding (ARRA dollars).

Mayor Schlum asked whether there would be any on-going costs and Mr. Rees replied that there might be some maintenance costs associated with the panels themselves (they had to be cleaned on a regular basis but it was just a matter of rinsing them off and keeping them clean). He added that the inverters that they would be installing on those projects would be mounted inside the buildings so their life expectancy would be much greater than if they left them out in the elements. He stated that staff had not received any "hard numbers" yet from the suppliers and said that this would all have to go out to bid so all of the costs at this point in time were estimated.

Mayor Schlum said that once the systems were in place they should save the Town energy dollars in addition to the improvements being made and Mr. Rees concurred with the Mayor's statement.

Councilmember Archambault commented on the fact that the rebates were coming from SRP and asked if the Town did not take the rebates whether SRP would just take them back or send them out to someone else.

Mr. Rees responded that the rebates would then go to someone else. He added that if the Town did not accept the grant funds, he believed that the monies would go back into a pool and those funds would possibly be available later on down the line for which other people could apply.

Councilmember Dickey discussed the part that was going to go towards the energy audit and said that she just wanted to remind everyone that about two or three years ago or more, this was discussed as part of a protection agreement of the Saving Energy Agreement that a group of Mayors across the United States signed on to (a type of pledge) to reduce carbon footprints and save energy. She noted that one of the sticking points that the work group had originally when they first started meeting, was how do they get past the energy audit part because it was pretty cumbersome and while there were some places available to help them, it was always going to be an expense. She said that to get over this "block/challenge" in a way was very rewarding. She added that it was always hard to assess progress and this would help – they needed to get to Step 1 in order to find out how they could save. She stated that she was very pleased with this particular aspect and pointed out that changing out the bulbs had been proven to be a way to save energy and money on the bulbs because they lasted a long time.

Councilmember Dickey also commented on the PV panels and said that about two and a half years ago they talked about different ways to attract people to the Town and if they looked at their goals, they had education, small-Town attractions, and energy saving/new environmental goals and to her this was something that did all three of those things. She discussed a trip she had taken to a small railroad town in New Mexico and said that they had a display that showed the inner workings of trains, etc. and it made her think that if they could do something like that for the Fountain and also have a solar display what a wonderful thing that would be. She reiterated that she saw this as hitting three of the Council's objectives and added that in this case they were not spending any money and, in fact, would be saving energy.

Councilmember Dickey added that the Council just learned about a Mobile Recycling Education Center that the City of Tempe utilized a grant from ADEQ to implement and explained that it was a type of truck that was very attractive to children that travelled around and provided education on this issue. She said that all of ADEQ'S

recycling grant funding was swept so they did not have any monies right now, but if she was reading the materials correctly, this was something that might occur in Fiscal Year 2011.

Mr. Rees advised that all of the installations would take place after July 2010 and added that the Town had 18 months in which to earmark those monies specifically for the projects and then they had three years to complete the projects.

Councilmember Dickey said that there was a chance that by then there might be a way to combine it and actually have an event (a Mobile Recycling Education Center) because that was where she saw this going. She reiterated that it was not costing the Town any money, it would save energy and the 17 years was an approximation – money could be recouped a lot sooner. She added that she agreed with Mr. Henry that things were probably going to get better as the years went by and they got better technology but this was a great project and she is all for it.

Mayor Schlum noted that this is a non-matching grant and said that as other communities were looking at the grant monies more closely they were finding that some had strings attached. He asked if this grant had any strings attached and Mr. Rees replied that staff had not been able to identify any.

Mayor Schlum stated that as far as the costs and Mr. Henry's comments, since his family put their system in a couple of months ago he was hearing that the cost was almost half of what it was then so costs did continue to decrease. He said that they were looking at cost savings even if the money coming in was not necessarily from the citizens directly but rather from ARRA dollars.

The motion **CARRIED UNANIMOUSLY** (7-0).

Mayor Schlum thanked Mr. Rees for his input.

AGENDA ITEM #10 – CONSIDERATION OF APPROVING NOT RENEWING THE TOWN OF FOUNTAIN HILLS COMMUNITY CENTER'S CLASS 5 LIQUOR LICENSE AT THE TIME OF EXPIRATION, JANUARY 30, 2010.

Community Center Director Samantha Coffman addressed the Council relative to this agenda item and said that she believed she covered all of the necessary information in the Action Form submitted to the Council but she was present to respond to any questions the Council might have.

Mayor Schlum suggested that Vice Mayor Hansen discuss the items she wanted additional information on and find out whether the information submitted had answered all of her questions.

Vice Mayor Hansen stated that she appreciated all of the information that Ms. Coffman provided and added that it demonstrated that there was some revenue being generated as a result of having that license. She said that as she was reading through the report she was also playing "telephone tag" with the person she had spoken with at the State Liquor Department, Connie Wagner, the Assistant Director of Licensing, and the Vice Mayor explained to Ms. Wagner that she needed some clarification (they spoke today). Vice Mayor Hansen advised that Ms. Wagner reiterated that it was possible to have two events at one place and directed her to the rule contained in the staff report as well as another provision which states, *"During the Special Event, the licensed location is split into an area in which the regular licensee exclusively dispenses and is responsible for all spirituous liquor sales and another separate area in which the non-profit group exclusively dispenses and is responsible for all spirituous liquor sales."* The Vice Mayor stated that that was the provision that allowed a Special Event Liquor License to take place simultaneously with their Class 5 License.

Vice Mayor Hansen advised that she brought up the issue with Ms. Wagner where people had to go downtown every time and Ms. Wagner explained that for years the State had asked the appropriate agency, in this case the Community Center, to write a letter to the applicant of the special event, and then that letter, saying “We are suspending our license for XX location on XX date at XX time” was submitted with their Special Event Liquor License request to the State.

Ms. Coffman apologized and said that she did not know why they were getting two different answers to their questions.

Vice Mayor Hansen stated that she told Ms. Wagner about the different responses received and wanted to share the information she had just received because the whole purpose of the policy was to make it better for the non-profits which they definitely did but this looked like they could have the best of both worlds and still have an opportunity to make at least a little bit of revenue out of their Class 5 (and still allow the non-profits to have their Special Event Liquor permits).

In response to a request for input from the Mayor, Town Attorney Andrew McGuire asked whether in any of the communications the Vice Mayor or Ms. Coffman had asked whether that particular regulation pertained to a license retail location – he wondered whether Ms. Wagner or anyone else at the Liquor Board was addressing their municipal license in the same way as a retail location.

Vice Mayor Hansen responded in the affirmative and added that Ms. Wagner was aware of the fact that they have a Class 5.

Mr. McGuire stated that that was what had always concerned staff -- that this provision was “tucked under” a licensed retail location and that they were certainly not that. Mayor Schlum said it sounded as though, as the Vice Mayor had said, they could have the “best of both worlds.”

Councilmember Dickey **MOVED** to not renew the Community Center’s Class 5 Liquor License at the time of expiration, January 30, 2010, and Councilmember Archambault **SECONDED** the motion.

Mayor Schlum noted that the Council now had more information on this issue and asked if that would cause Ms. Coffman to desire that the Council reconsider this item (would she change the staff recommendation). He questioned whether the revenues would be sufficient to support the extra work that would go along with this.

Ms. Coffman replied that they had made approximately \$12,000 last year and said she had not considered doing both because she was always under the impression that they could not do that. She added that if that was the way they wanted to proceed, they (the Community Center) would certainly continue down that path. She noted that there would obviously have to be some monies added back into the budget for the remainder of the year because they had not budgeted anything for staff, supplies, etc.

Councilmember Archambault stated that obviously they had been letting the supplies go down and gearing towards that. He added that they have had two commissions tell them to get rid of the license and it seemed to him that if they were looking for revenue, they could revert back the other way (they were making more revenue the other way than if they just tried to do this “hit and miss”). He said he was curious about what funding Ms. Coffman thought they would need to have to restock, personnel costs, supplies, etc.

Ms. Coffman responded that she would have to go back and do a complete inventory of the liquor and figure out what supplies were needed. She added that they still had some alcohol at the Community Center but as far as supplies, napkins, cups, etc., those items would be needed, they would have to get a couple of their managers

liquor certified (not a lot of money) and they would have to put money back in the budget for staffing (bartenders/staff for the events). She stated that she did not have a hard dollar figure to put out at this time.

In response to a question from the Mayor, Ms. Coffman said that taking the liquor license away presented more of an opportunity for anyone coming in to control the cost of their event. She added that they would have more opportunity to hire bartending staff and purchase their own products, and for the non-profits coming in, they could charge whatever price they determined for the alcohol. She advised that gave a benefit to the public who rented the facility because they had more control over how they were going to operate the event and the money they were going to spend.

Mayor Schlum asked if they were to maintain their license, whether there would be benefits for other organizations to utilize the license, if they so desired; Ms. Coffman replied only the non-profits benefited because they could apply for the Special Event Liquor License. She added that someone who was not a certified 501(C) 3 would not receive any benefit because they would have to go back to using the Community Center's alcohol and paying their prices and fees.

Councilmember Archambault commented that if he understood correctly only the non-profits could get the liquor license; the weddings, the citizens who rent the rooms at the Center, would have to use the Town's license. Ms. Coffman concurred with Councilmember Archambault's statement.

Councilmember Archambault said that he thought the purpose was to take the liquor license away to make it more affordable for citizens and groups (not just non-profits) and Ms. Coffman agreed that was the point.

Discussion ensued relative to the fact that bartenders must be liquor certified in order to serve alcohol; that the purpose was to benefit everyone who utilized the facility and not just the 501's; and the fact that they would be forcing everyone else who was not a 501(C)3 to use the Town's license.

Vice Mayor Hansen stated that they did not have the information to be able to compare what a private citizen would pay to go out and get the certified bartenders. She said that she believed they could only use those if they were giving it away, like at a wedding or a party. She added that they did not know what would cost more – people going through their bar or having to get outside sources and bringing them in.

Ms. Coffman stated that she knew for a fact that it would cost more if they went through them because obviously they marked the prices up and if people go out to Costco and buy a case of wine, they would save money. Ms. Coffman discussed the fact that they could purchase the alcohol and have an outside certified bartender serve it or they could hire a service to bring in everything for them.

Councilmember Leger said that if they could lower the overall cost and increase the number of events, then they could increase profits.

Councilmember Contino asked how much time was involved for someone to work this type of event (Ms. Coffman's staff).

Ms. Coffman responded that a lot of work was involved, i.e. the inventorying of the alcohol on a regular basis, the ordering of the alcohol, scheduling of the bartenders, the set up and take down and time spent working the event.

Councilmember Contino said that it was his understanding that Mr. Melendez (one of the bartenders) did a lot of that so the staff did not have to do the work. Ms. Coffman said that he did some of the work but not all of it.

Councilmember Contino stated the opinion that they would not have to hire another whole staff again because they already had bartenders who were certified so there really were not any costs involved. He added that as far as all of the other people that could be cut down. He expressed the opinion that they were looking at whether it was feasible or not and he believed it was feasible to have a dual license over there.

Mayor Schlum said that it certainly sounded feasible and this additional option had just been brought before them tonight and they were discussing it "on the fly." He stated that there was the additional work to pay for the license and to do the work that needed to be done, notify the State to take down the license in Ballroom B and then Ballroom C the next day, those types of things. He asked what the benefit was of maintaining the license and whether it made it more available for the community to have the events they wanted to have. He said that since they just received the information this evening, he did not believe it was fair to ask for a new staff recommendation at this time but added that if Ms. Coffman was comfortable, he would like to hear her comments.

Councilmember Dickey said that she had to go back to what Councilmember Archambault was saying -- if it was more beneficial for the non-profit groups for them to do this, then why was it not more beneficial for private parties? She added that she still had not figured out the difference between that. She asked why they would want it to be cost prohibitive for community members to use it (non-profits have already said it was cost prohibitive).

Ms. Coffman expressed the opinion that there were benefits to be had by letting the liquor license go because they would be opening up that option for everyone, not just the non-profits, to control the cost of their events.

Councilmember Dickey again asked why they would not want to extend this benefit to private people.

Vice Mayor Hansen stated the opinion that this almost came down to a business decision and when the Community Center opened, the business decision was made to have their own Class 5 License to bring in some revenue to the building. She discussed the use of the building and said that they looked at that and how much was used by non-profits and that problem had been taken care of, they were covered with the Special Event Liquor License. She added that then they look at the citizens that might have a birthday party or an anniversary and then look at organizations like the Chamber who said they would have had alcohol at their Showcase had they been able to do it. She said that if they were trying to attract people from outside of the community to come in and use their facility in an attempt to enhance revenues, then it was a benefit to have their own license. She stated that it really did boil down to a business decision. She added that she agreed with Ms. Coffman in that she was very confused when she read the staff report and she believed that perhaps they were confused at the Liquor Department as well.

Mayor Schlum asked if there was a wedding or the Chamber wanted to have an event at the Community Center or some other non-profit wanted to, and they wanted to have their own bartender and not utilize the Town license, what the benefit would be.

Vice Mayor Hansen replied that the non-profits could do that by obtaining a Special Event Liquor License.

Mayor Schlum asked what those organizations would do as far as alcohol if the Town got rid of their Class 5 Liquor License.

Ms. Coffman responded that if they got rid of the license anybody other than a non-profit organization could either bring in their own alcohol and have a certified bartender serve it or they could hire one of the services, such as a paid-bartender service and have them provide everything from alcohol to supplies, etc. She added

that if they kept the license, only the non-profits would be able to bring in their own alcohol and everyone else would have to purchase it through the Community Center.

Councilmember Leger stated that he keeps hearing that this was a business decision and reiterated his former comment in the form of a question – If they could lower the cost to all of their customers, would it not increase the probability that it would increase the number of events, which would then increase profits? He questioned whether this was a possibility.

Ms. Coffman responded that it was and said that they could not mark up the costs as much but add that there would still be associated costs.

Councilmember Leger commented that in looking at the issue as a business decision, if they could do a greater volume of business in the long run they would probably net out a greater profit than if the opposite was true. He added that he was not sure where he stood on this whole thing but in terms of a business decision, in his business model if they lowered the costs, they usually increased business. He noted that these days, people were looking to cut costs.

Councilmember Archambault stated that currently, if they were to go down the road that had been discussed, the average event would have to use the Town's liquor license (if they kept it) instead of enjoying the cost savings that the non-profits would get by using their own bartenders and bringing in their own liquor. He added that they did not have equalization going on and if they were going to make it better for one group, then they had to make it better for the other group. He stated that he thought he knew where the commissions were coming from – they were saying just get rid of the license and everybody could generate their own savings and their own costs. He said that if they looked at it from a business decision point of view, then they would be better to have everyone use the Town's license and go through the Community Center.

Ms. Coffman advised that they were thinking of it not so much as a business decision but rather how could they best serve everybody. Additional discussion ensued relative to the pros and cons associated with the license issue.

Vice Mayor Hansen stated that they could only speculate regarding savings/generating additional revenues and noted that there would be different benefits for the different groups.

In response to a question from the Mayor, Ms. Coffman said that following all of the discussion that had taken place, at this time, she would not change the recommendation that was submitted.

The Mayor thanked everyone for the discussion and said that at this time he would call for a vote.

A roll call vote was taken with the following results:

Vice Mayor Hansen	Nay
Councilmember Leger	Aye
Councilmember Dickey	Aye
Councilmember Contino	Nay
Councilmember Archambault	Aye
Mayor Schlum	Aye
Councilmember Brown	Aye

The motion **CARRIED** by majority vote (5-2).

AGENDA ITEM #11 - CONSIDERATION OF RESOLUTION 2009-43, ADOPTING THE TOWN OF FOUNTAIN HILLS GENERAL PLAN 2010, AND CALLING A SPECIAL ELECTION TO BE HELD ON MAY 18, 2010, FOR VOTER RATIFICATION OF THE NEW GENERAL PLAN, AS REQUIRED BY STATE LAW.

Planning and Zoning Director Richard Turner addressed the Council relative to this agenda item and reviewed the staff report and additional materials submitted to the Council (copy on file in the office of the Town Clerk). Mr. Turner stated that according to State law, approval of the new General Plan required an affirmative vote of two thirds of the Council or five (5) votes.

Mr. Turner summarized the report and noted that the Committee of the Planning & Zoning Commission appointed to review the proposed changes to the General Plan met on eight (8) occasions. He noted that every section of the draft Plan was examined by the Committee and added that Town staff was also involved in the review of the General Plan Update. He advised that following the last Committee meeting in late August of 2009, the Plan was edited and transmitted for review by organizations and agencies, both internal and external, to the Town. He added that staff was required by statute to transmit a copy of the Plan to many of those who received the draft, including each member of the Planning & Zoning Commission and the Town Council (notice of the Plan review process and copies of the Plan were provided to 36 reviewers).

Mr. Turner discussed the extensive feedback that was received from the public, organizations, staff, etc., Mr. Williams' valuable input, safe routes to schools and roundabouts, the Land Use Plan map, staff comments and recommendations regarding the input that was received.

Mr. Turner advised that a public vote on General Plan 2010 was proposed for May 18, 2010 election and noted that a public vote ratifying approval of the Plan by the Town Council was a requirement of State law.

Mr. Turner stated that the Planning & Zoning Commission recommended approval of the General Plan 2010 on December 10, 2009, subject to the changes outlined in the staff report. He added that staff recommended that Resolution 2009-43, adopting the General Plan 2010, be approved together with the changes listed in the attachment to the report entitled, "Amendments to the General Plan 2010," consisting of two pages dated, revised December 24, 2009. Mr. Turner indicated his willingness to respond to questions from the Council.

There were no citizens wishing to speak on this agenda item.

Councilmember Dickey expressed appreciation for all of the input received and for including her comments/suggestions. She discussed State laws regarding environmental issues (the ozone) and commented that this would be a 10 year document.

Councilmember Leger also thanked everyone for their hard work on this important matter and said that he was pleased that the process was extended in order to receive all of the valuable input that helped develop the document. He noted that Mr. Williams was very passionate about the issue and thanked him for his involvement.

In response to a request from Councilmember Archambault, Mr. Turner advised that the entire process began way back in the fall of 2007 (technical review). Councilmember Archambault commended staff and stated the opinion that the Plan was a good one. He said that he looked forward to moving ahead. Mayor Schlum also expressed appreciation to everyone.

Councilmember Leger **MOVED** to approve Resolution 2009-43, adopting the Town of Fountain Hills General Plan 2010 and calling a Special Election to be held on May 18, 2010 for voter ratification of the new General Plan as required by State law and Councilmember Dickey **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #12 – COUNCIL DISCUSSION/DIRECTION TO THE TOWN MANAGER. ITEMS LISTED BELOW ARE RELATED ONLY TO THE PROPRIETY OF (i) PLACING SUCH ITEMS ON A FUTURE AGENDA FOR ACTION OR (ii) DIRECTING STAFF TO CONDUCT FURTHER RESEARCH AND REPORT BACK TO THE COUNCIL:

A. NONE.

AGENDA ITEM #13 – SUMMARY OF COUNCIL REQUESTS AND REPORT ON RECENT ACTIVITIES BY THE TOWN MANAGER.

Town Manager Rick Davis advised that he will follow up on the concerns expressed earlier this evening by Mrs. Johnson.

AGENDA ITEM #14 – ADJOURNMENT.

Councilmember Leger **MOVED** that the Council adjourn the meeting and Councilmember Dickey **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The meeting adjourned at 7:43 p.m.

TOWN OF FOUNTAIN HILLS

By _____
Mayor Jay T. Schlum

ATTEST AND
PREPARED BY:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Session held by the Town Council of Fountain Hills in the Town Hall Council Chambers on the 7th day of January, 2010. I further certify that the meeting was duly called and that a quorum was present.

Dated this 21st day of January 2010.

Bevelyn J. Bender, Town Clerk